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Operational activities of the United Nations for international development cooperation: follow-up to policy recommendations of the General Assembly and the Council

Progress in the implementation of General Assembly resolution 56/201

Report of the Secretary-General

Summary

The present report responds to paragraph 95 of General Assembly resolution 56/201 of 21 December 2001 on the triennial policy review of operational activities for development of the United Nations system, in which the Assembly invited the Economic and Social Council to evaluate the implementation of that resolution. At a time when most United Nations system organizations are recasting their strategies, policies and programmes to maximize their contribution to the implementation of the development goals embodied in the United Nations Millennium Declaration, this report highlights new challenges and responsibilities for the United Nations development system, which call for continuing adjustment in the country-level functioning of the system so as to enhance its effectiveness.

The report draws attention to system-wide mechanisms that are relevant, at the country level, for coordination, harmonization, funding, planning and evaluation of operational activities for development, and stresses specific cross-sectoral themes such as gender mainstreaming, capacity-building, South-South cooperation and interaction of development cooperation with humanitarian assistance. Recommendations for action by the Economic and Social Council are highlighted in boldface in each section of the report.

The Council is invited to undertake this progress review with the aim of preparing the ground for the next triennial comprehensive policy review of operational activities which the General Assembly will conduct in 2004, and to provide guidance thereon to the Secretary-General.

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I. Background and context[1]

1. The current review takes place at the conclusion of a cycle of high-level conferences and summits that adopted key documents such as the United Nations Millennium Declaration (see General Assembly resolution 55/2), the Monterrey Consensus of the International Conference on Financing for Development,[2] the Doha Development Agenda, and the Johannesburg Declaration on Sustainable Development[3] and the Plan of Implementation of the World Summit on Sustainable Development (Johannesburg Plan of Implementation).[4]

2. These events reflect an unprecedented agreement within the international community on an overarching policy framework to provide, with urgency, support to national efforts to fight poverty in a concerted and coordinated way through a global partnership between developed and developing countries, and on the basis of the Millennium Development Goals (see A/56/326, annex) and other relevant internationally agreed objectives. In this context, developing countries have the primary responsibility for their own development,[5] while the international community has the responsibility for buttressing their efforts with greater, better-harmonized and more comprehensive support through aid, market access, debt relief and technical assistance.

3. The United Nations development system is asked to give the highest priority to the implementation of the outcomes of these conferences. As suggested by the Secretary-General in respect of its recent reforms,[6] the United Nations system should pursue this by coping with the challenges of the twenty-first century through enhanced mechanisms, adequate resources, strengthened inter-agency coordination, a country-driven approach and the enhanced effectiveness of its country-level presence.

4. The substantive session of 2003 of the Economic and Social Council will take place at a time when most development agencies are recasting their roles, responsibilities, strategies, policies and programmes to achieve the goals identified in the United Nations Millennium Declaration, both individually and through such inter-agency mechanisms as the United Nations Development Group (UNDG) and — at the system-wide level — the United Nations System Chief Executives Board for Coordination (CEB).

5. This offers opportunities to reassert the need for a results-based global partnership, aiming at a closer integration of development cooperation activities, including those of the United Nations system, with national efforts, providing support to enhanced national ownership of external assistance.

6. The system as a whole is realigning mechanisms such as the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF), and their policy orientations, to the new paradigm, which applies to all organizations.

7. This realignment raises both programmatic and organizational issues encompassing:

(a) The congruence of this common development agenda with the principle that national plans and priorities constitute the only viable frame of reference for the national programming of operational activities for development within the United Nations system;[7]

(b) The coherence of programmes and projects of the United Nations system in pursuing Millennium Development Goals and other internationally agreed goals at the country level;

(c) The additional responsibilities for the United Nations system inherent in the adoption of this common agenda, especially in supporting national efforts;

(d) The organizational, financial and human resources that the United Nations development system requires to perform its country-level functions effectively,[8] including supporting the development of national capacities required to pursue the Millennium Development Goals, as related, in particular, to the following questions: What are the technical capacities and physical, human and organizational structures that the system should have available at the country level? Do country teams and all system organizations actively operating at the country level have all the required competencies? If their country-level capacities and structures are not adequate, how big is the gap? Is there a need for further changes and reforms? Are current efforts to improve coordination and to simplify and harmonize sufficient?

8. The United Nations system is endowed with a vast range of expertise and knowledge, which was generated through long and diversified work in the normative, analytical and operational domains. Can this technical capacity be translated into adequate country-level support in a world that is continuously changing?

9. The present report provides some elements for this analysis, although a more exhaustive analysis will be undertaken for the 2004 triennial comprehensive policy review, in assessing the overall effectiveness of operational activities for development.

10. In the last year, there have been significant indications that successful efforts are being made by the United Nations system to enhance coherence and coordination at the country level in support of the Millennium Development Goals and other internationally agreed goals, linking regional and country dimensions and flexibly adjusting to complex development situations, including humanitarian emergencies and post-conflict situations. Progress has been made in providing guidance and training to country teams, encouraging learning and the sharing of experience, and establishing quality assurance and support mechanisms at country, regional and global levels. These trends need to be continued and enhanced.

11. Drawing on its technical capacity and knowledge, and as an impartial and neutral partner, the system assists recipient countries in integrating macroeconomic imperatives with social concerns, and addressing challenges such as achieving budget trade-offs between economic and social objectives, linking macroeconomic and social policies. While significant progress was made in harmonizing and simplifying processes, improving coordination and efficiency and reducing transaction costs for government partners, more could be done to improve the mix of skills, expertise and services that the United Nations system can mobilize to support recipient countries in implementing coherent, sustainable and inclusive development strategies.

12. Recent reforms aim at enhancing internal coherence and coordination within the United Nations system. More in-depth analysis is required in respect of the successful integration of its operational activities with national programmes, plans and policies, as constituting an essential part of efforts to ensure appropriate and

effective long-term support, since this integration is a necessary condition for achieving national ownership and leadership in respect of designing, managing and coordinating externally assisted activities.

Recommendations

13. **The Economic and Social Council may wish to use the assessment of progress achieved in the implementation of General Assembly resolution 56/201 in the year 2003 to lay down broad guidelines for the 2004 triennial comprehensive policy review, emphasizing areas on which the report on the triennial comprehensive policy review should focus, including specific aspects, such as assistance to developing countries in pursuing Millennium Development Goals and other internationally agreed development goals, integration of operational activities for development of the United Nations system with national efforts, further improvement in coherence and efficiency of the United Nations system at the country level, harmonization and simplification processes, capacity-building for Millennium Development Goals, and ways to ensure appropriate funding, adequacy of technical capacities and skills available at the country level to support national efforts.**

II. Implementation of General Assembly resolution 56/201

A. Funding for United Nations operational activities for development

14. In paragraph 27 of its resolution 56/201, the General Assembly requested the Economic and Social Council to consider, at its substantive session of 2003, the conclusions reached at the triennial comprehensive policy review on resources for operational activities for development. A separate report (E/2003/...) is being submitted on this issue, which reviews progress made on the funding of development cooperation activities of the United Nations system, analyses trends and challenges, and reflects on the conclusions of the Monterrey Consensus and the additional responsibilities entrusted to the United Nations system in support of developing countries. The adoption of a common development agenda embodied in the United Nations Millennium Declaration and other internationally agreed objectives has implications for the development role of the system, also in terms of resource requirements and allocation.

B. Capacity-building and operational activities of the United Nations system

15. Capacity-building is an endogenous country-driven, long-term process at the core of development, which requires the involvement of all sectors of the society. It cannot be induced by external forces but only facilitated by them.[9] External support should focus on developing existing capacities using national expertise as a paramount approach. It should not be limited to enhancing individual skills but should also address institutional, organizational and societal dimensions, and should be promoted, to the extent possible, also in countries in special circumstances (crisis or post-crisis situations). CCA, UNDAF and the Poverty Reduction Strategy Paper

(PRSP), among others, should be utilized as entry points with respect to fostering these approaches to the system's support to capacity development.

16. The General Assembly has repeatedly called upon the United Nations system to reach a common understanding on capacity-building and enhance its operationalization and sustainability,[10] indicating that capacity-building should be explicitly articulated as a key goal of all its technical assistance. A set of principles[11] was adopted to provide an initial framework for the system's capacity-building activities for development.

17. The Economic and Social Council devoted focused attention to this issue last year, adopting resolution 2002/29 of 25 July 2002, in which (para. 16) the Council encouraged the organizations of the United Nations system to intensify their efforts to reflect on and analyse their knowledge of and experience with capacity-building, with a view to offering improved support to the development of national capacities. In the same resolution, the Council also requested more intensive inter-agency cooperation in developing indicators and benchmarks used to design, manage and monitor capacity-building.

18. The experience acquired so far by the system in this respect was reviewed at an inter-agency workshop, held in Geneva in November 2002,[12] showing a large variety of perceptions of capacity-building in the system, as suggested by the large variety of its functions. The system supports recipient countries in their pursuit of developing national capacities through country operations that should reflect a thorough assessment of their capacity-building needs. This should also be stressed in the CCA, UNDAF and agency-specific programming instruments. Much progress is required to define benchmarks and progress indicators on capacity-building by the United Nations system, and enhance information-sharing and coordination so that, in each country, a common understanding may be reached of the requirements of capacity-building.

19. The High-Level Committee on Programmes (HLCP) endorsed the conclusions of the Geneva inter-agency workshop at its fifth session, held in Rome on 26 and 27 March 2003, agreeing that an explicit system-wide strategy for capacity development should be developed by the United Nations system and its individual organizations to pursue Millennium Development Goals and other internationally agreed objectives (see CEB/2003/4). Each agency should define its own corporate strategy for capacity development, and should include, in its annual report to its governing body, a specific section assessing such a strategy. United Nations organizations should collaborate to develop benchmarks and indicators on capacity-building related to the Millennium Development Goals in their respective areas of competence. An informal inter-agency network is being established to facilitate exchanges of views on good practices, indicators, benchmarks and other means to measure success.

Recommendations

20. **The Economic and Social Council may wish to urge the organizations of the United Nations system to devise country-level strategies for capacity-building in the pursuit of Millennium Development Goals and other agreed development goals and reflect them in the CCA and the UNDAF, and invite all**

organizations to devote part of their annual reports submitted to their governing body to capacity-building.

21. **The Economic and Social Council may wish to urge United Nations system organizations to intensify information-sharing on good practices and experience gained, benchmarks and indicators, concerning capacity-building as linked to the pursuit of Millennium Development Goals, calling on each organization to draw from its unique reservoir of experience and competencies, and encourage CEB to continue to foster and strengthen inter-agency efforts in their respective domains.**

C. Strategic frameworks: common country assessment and United Nations Development Assistance Framework

22. In response to paragraph 42 of resolution 56/201, major efforts have been undertaken to strengthen the focus of CCA and the UNDAF on the Millennium Development Goals, improve their quality, enhance the role of the UNDAF in support of the integrated and coordinated implementation of the outcome of major United Nations conferences and summits and provide a coherent and integrated response to national priorities.[13] New opportunities are being seized by country teams for greater complementarities and synergies between frameworks developed by United Nations system organizations, and those developed by national Governments and the Bretton Woods institutions, linking, in particular, the CCA and the UNDAF to the Poverty Reduction Strategy Paper (PRSP), where it exists. These processes can enhance each other. The CCA can directly contribute to the poverty assessment required by the PRSP. The UNDAF provides a system-wide response to the development strategy that the Government intends to pursue, as summarized in the PRSP.

23. The United Nations Development Group (UNDG) is implementing a comprehensive system for quality support and assurance for country teams, aiming at developing an all-encompassing quality support and oversight system for the CCA and UNDAF processes.[14] The new support system is being extended to countries completing a CCA and a UNDAF in 2004 and 2005, through the establishment of regional virtual technical teams that will review CCAs and UNDAFs at an early stage, providing consolidated inter-agency feedback. These initiatives aim at creating a learning development system and a greater sense of accountability at country, regional and headquarters levels. The 2002 revision of the CCA and UNDAF guidelines focused on the centrality of the Millennium Development Goals and the United Nations Millennium Declaration as a whole, underscoring the importance of linkages between United Nations instruments and national plans and strategies, including the PRSP, where it exists. Their next revision is scheduled for June 2003.[15] The participation of the specialized agencies in the CCA and UNDAF processes should be strengthened;[16] further analysis is required to identify obstacles and possible solutions.

24. The CCA and UNDAF guidelines have promoted a results-based approach. The UNDAF Results Matrix harmonizes result-based management terminology to establish a link with national priorities and organizations' country programmes as the basis for increased inter-agency coordination, joint or collaborative programming, and improved evaluations.[17] The Results Matrix is also expected to be

a dynamic management tool for thematic groups, so that they can better adjust to the UNDAF orientations.[18] Other instruments being developed are the UNDAF Monitoring and Evaluation Plan and the UNDAF Final Evaluations, which will foster collaboration around evaluation activities and related national capacity development.[19]

25. An overall evaluation of the CCA and the UNDAF and their impact on operational activities will be undertaken as an integral part of the next triennial comprehensive policy review in 2004, as requested in paragraph 47 of General Assembly resolution 56/201.

Recommendations

26. **The Economic and Social Council may wish to request United Nations system organizations to continue their efforts to enhance the quality of the CCA and the UNDAF, inter alia, through the active engagement of the specialized agencies and other partners in the formulation of these instruments, and to request the United Nations country teams and resident coordinators to continue their efforts to facilitate the involvement of all organizations of the United Nations system and use their expertise in the formulation of the CCA and the UNDAF.**

D. Evaluation of operational activities for development

27. A separate report has been prepared in response to General Assembly resolution 56/201, paragraph 56, to assess the extent to which the United Nations funds, programmes and agencies at the field level have learned lessons from their evaluations. The assessment focuses on ongoing practices as reflected in headquarters- and country-level information, and the benefits of country-level consultations, discussions within the Inter-Agency Working Group on Evaluation (IAWG) and the network established through an ad hoc inter-agency task force on lessons learned from evaluation activities. The report formulates proposals on how to improve feedback mechanisms at the field level.

E. Field-level coordination

1. Simplification and harmonization

28. The General Assembly requested the United Nations funds, programmes and specialized agencies of the United Nations system to accord high priority to the simplification and harmonization of rules and procedures for operational activities and identified specific areas for urgent measures: decentralization and delegation of authority, financial regulations; procedures for implementing programmes and projects; and, in particular, the requirements in terms of monitoring and reporting, common shared services in country offices, and recruitment, training and remuneration of national project personnel.[20] The Assembly also requested the funds and programmes to submit a programme of work to the Economic and Social Council in 2002, including provisions to phase out redundant rules and procedures, with benchmarks and time-bound targets,[21] to be achieved by 2004. That programme

of work was prepared last year and its implementation is in progress. Full review of progress will be presented in 2004 at the triennial comprehensive policy review. Some of the actions currently under way are outlined below.

29. In 2002, a joint UNDG programme and management task force on simplification and harmonization was established to address issues affecting programme preparation and approval, implementation, monitoring, evaluation and reporting,[22] joint programming and financial transfer procedures of UNDP, the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP). Country-level consultations through missions and a workshop were held, leading to final recommendations which the Executive Heads of UNDP/UNFPA, UNICEF and WFP adopted in November 2002. The new harmonized procedures include simplification and harmonization modalities regarding standard instruments such as the Country Programme Documents and a number of instruments, currently under development, namely:

(a) The UNDAF Results Matrix, already mentioned;

(b) The Country Programme Action Plan (CPAP), a standard document that operationalizes Country Programme Documents and highlights commitments of each United Nations agency and the Government. The CPAP builds upon existing sections of the Country Programme Documents, ensuring minimal additional work;

(c) The Annual Output Work Plan, a standardized document that provides a nominal activity plan for each output included in the CPAP and is connected to the strategic results of the UNDAF and Country Programme Documents, facilitating across-the-board inter-agency comparisons;

(d) The UNDAF Monitoring and Evaluation Plan and the UNDAF Final Evaluations, already mentioned.

30. Progress in joint programming is still limited. New guidelines, which are under completion, will require new financial mechanisms and are intended to reduce transaction costs, increase the emphasis on capacity-building and increase effectiveness and efficiency, following guiding principles to ensure that they are flexible, build upon national systems, and contribute to the development of national capacity. The full range of new modalities are being phased in, beginning in five countries with country programmes starting in 2004,[23] 15 other countries starting programmes in 2005, 17 countries starting programmes in 2006 and so on, in line with the CCA and UNDAF preparation cycle.

31. After a joint review, the United Nations funds and programmes that are members of the Executive Committee of UNDG have concluded that a high degree of delegation and decentralization of authority has been reached in their country and regional offices, as regards programme formulation, the clearance process and financial management and that no further action is needed in this area. Nevertheless, a situation characterized by different degrees of decentralization and different levels of authorization still prevails among other agencies of the system, hindering efficient joint or collaborative programming. Greater attention is still required to harmonize procedures in such areas as recruitment, remuneration and training of national project personnel, and information technology platforms, as encouraged in paragraph 60 of General Assembly resolution 56/201.

32. The UNDG task force has striven to link simplification and harmonization efforts to those of the Organisation for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC) Task Force on Donor Practices[24] and the technical groups of the multilateral development banks,[25] aiming at harmonizing practices and standards on development assistance and aligning them with national procedures in areas such as planning and approval of assistance, country assessment, monitoring and reporting, financial management, procurement, and environmental assessments. A High-level Forum on Harmonization, organized by the OECD/DAC Task Force in Rome (24 and 25 February 2003) with bilateral and multilateral institutions and representatives of a number of "partner" countries, adopted the "Rome Declaration on Harmonization", which confirms the commitment to enhancing delivery of development assistance through harmonization. Donors and national counterparts are encouraged to design plans for harmonization of procedures of externally supported activities, facilitating their integration with national efforts and structures. Self-evaluations of bilateral and multilateral agencies, in partnership with recipient countries, are envisaged.

Recommendations

33. **The Economic and Social Council may wish to request the United Nations funds and programmes to enhance and accelerate their simplification and harmonization efforts in the areas of recruitment, remuneration and training of national project personnel, and ensure full implementation of the programme of work, which was submitted in 2002, before the end of 2004. The Council may also wish to request that efforts be undertaken across the United Nations system to achieve progress in all the areas of simplification and harmonization of rules and procedures at the field level, establishing links between these efforts and ongoing initiatives undertaken by bilateral donors, multilateral development banks and international non-governmental organizations, with the ultimate intent of reducing transaction costs, increasing efficiency in aid delivery and enhancing government ownership of development processes through better coordination and management of external assistance.**

2. Common premises and services and "United Nations House"

34. The Secretary-General has pursued the "United Nations House" initiative and supported the development of shared administrative services since his 1997 reform programme, so as to increase the efficiency and cohesion of the United Nations presence at the country level.

35. During 2002, UNDG continued to review proposals to facilitate the establishment of common premises and United Nations Houses: 6 new United Nations Houses were established,[26] bringing the total number to 52; and proposals for another 22 countries have been reviewed. Five new United Nations Houses are planned for 2003.

36. In 2001, a pilot programme was initiated in eight countries[27] to assist country teams in sharing administrative services based on operational guidelines adopted in 2000. United Nations staff in these countries have undergone training, assessed existing and potential services and developed an action plan. Twenty-four other countries received financial support to develop common services initiatives, leading

to an increase in the number of common services reported, inter alia, in such areas as information technology, travel and banking services, and resulting in improved quality and efficiency, and increased overall inter-agency cooperation. A report on cost savings will be compiled once the initiatives are completed.[28] A feasibility study has been carried out in one country (Maldives) to assess the feasibility of establishing a joint office to reduce overhead costs for agencies and transaction costs for government.

Recommendations

37. **The Economic and Social Council may wish to encourage UNDG to continue its efforts in the area of common premises, shared services and joint offices, with the objective of ensuring higher quality and cost-effectiveness of country-level functioning of the United Nations system through appropriate support activities, taking into account the need for cost-sharing within system organizations and adequate financing.**

3. Resident coordinator system

38. The Economic and Social Council has regularly reviewed the achievements of the resident coordinator system at its operational activities of the United Nations for international development cooperation segment. In various resolutions,[29] the General Assembly recognized that the resident coordinator system has a pivotal function. The Secretary-General recently noted, in his proposals for a continuing and consolidated programme of reform,[30] that the resident coordinator system continues to play a linchpin role in field-level coordination and in support of development and humanitarian activities (para. 118).

39. Responsibilities of the resident coordinator system have become more complex, calling for its direct involvement in a plethora of country-level mechanisms and system-wide instruments. Specific practical measures[30] are being implemented to enhance the effectiveness of the resident coordinator system in facilitating joint programming, pooling of resources, the establishment of common databases and knowledge networks.

40. The resident coordinator system needs to be in a condition to allow the United Nations system to make the most effective use of the limited resources available, mobilize qualified technical expertise, provide policy advice on cross-sectional and multidimensional development issues and support the integration of development support activities with national efforts (national ownership) in full partnership with development partners.

41. The resident coordinator system undertakes these tasks through a number of coordination instruments such as the CCA and the UNDAF, thematic groups, joint programmes, participation in the PRSP process, and contributions to the formulation of the recently introduced reports on the Millennium Development Goals.

42. The role of the resident coordinator system in countries making the transition from conflict to recovery and reconstruction is particularly complex. As coordination support for the humanitarian coordinator is reduced, the support extended to the role of the resident coordinator needs to fill the gap during the transition period — a period when national capacity is most critical.

43. The role of the resident coordinator system is being enhanced by continuously upgrading the skills and capabilities available to the country team, as well as through constant in-country training efforts. In 2001, over 350 inter-agency training initiatives were conducted through the resident coordinator system, involving officers of United Nations funds, programmes and the specialized agencies, government officials and non-governmental organizations, and focusing on themes such as HIV/AIDS, gender mainstreaming, human rights, the CCA and the UNDAF, crisis prevention and post-conflict recovery.[31]

44. Mechanisms to select, train and appraise the performance of resident coordinators have continued to improve, broadening the pool of candidates while attempting to improve the gender balance. The resident coordinator competency assessment has become a widespread tool with which to assess prospective candidates.[32]

45. The resident coordinator system is becoming better equipped to manage complex tasks. Nevertheless, it is not yet attracting the full range of expertise at the technical and specialized level required by the pursuit of the Millennium Development Goals and other internationally agreed goals. The growing use of knowledge networks, which are also meant to expand the involvement and participation of the United Nations system and other development partners on a broader basis, has not yet effectively involved all relevant non-resident United Nations organizations. Major challenges to the optimal functioning of the resident coordinator system continue to be the mobilization of technical expertise and resources from within the system to support a coordinated response to national priorities, and a broader and more active participation of all United Nations system organizations, in particular, specialized and technical agencies, as well as regional commissions.[33] A more extensive use of information and communication technologies,[34] and other means to facilitate a direct link with all agencies[35] may open new opportunities for improvement.

Recommendations

46. **The Economic and Social Council may wish to reiterate the need for greater participation of the specialized agencies, including small technical agencies, through a more active role, in the functioning of the resident coordinator system, while encouraging all the organizations of the United Nations system to research and set in place innovative and collaborative approaches to enabling the resident coordinator system to tap into the wealth of expertise in those areas that are relevant to supporting national efforts towards achieving the Millennium Development Goals and other internationally agreed development objectives.**

4. Relations with the Bretton Woods institutions

47. The Bretton Woods institutions and the United Nations organizations have been increasingly working together over the last few years to create new opportunities for country-level cooperation,[36] provide greater avenues for joint actions, and increase interaction between their respective instruments,[37] as well as headquarters programming and management processes.[38] Along with the United Nations organizations, international financial institutions, in particular the World

Bank, are recasting their priorities, strategies and activities so as to focus on poverty reduction and the Millennium Development Goals. Across the whole of the United Nations system, modalities are being adopted to make the principle of national ownership operational and place greater emphasis on results.

48. Developing countries are involved in a number of processes with different coverage and objectives. When the PRSP exists, it has the potential to become the overall frame of reference, if the Government so decides, for the entire development and poverty reduction strategy of the country, as well as the basis for national budgets and international assistance, and thus to become a key instrument with which to enhance aid effectiveness, coherence and coordination. The PRSP process is already under way in over 70 developing countries, including the least developed countries, and will soon be extended to all low-income countries eligible for the Poverty Reduction and Growth Facility (PRGF) of the International Monetary Fund (IMF).

49. Other instruments are used by different entities and can be related to the PRSP process, when the country decides to adopt it. The CCA for the United Nations system, and the Economic and Sector Work (ESW) for the World Bank, including public expenditure review, educational sectoral analysis, poverty assessment etc., provide the analytical foundations for elaborating the poverty strategy contained in the PRSP. The UNDAF and the Country Assistance Strategy (CAS), which can be considered the business plans for the United Nations system and the World Bank at the country level, respectively, should be developed consistently with the PRSP.

50. The progressive alignment of these country-level programming processes with national long-term priorities, strategies plans and budgets would facilitate harmonization not only between the activities of the Bretton Woods institutions and those of the United Nations funds and programmes and the specialized agencies but also among the activities of all external assistance partners. To achieve this, a continuous dialogue between the Bretton Woods institutions and United Nations organizations and other donors is under way, and [illegible]red policy guidance to field staff on the link between PRSPs and Millennium Development Goals was issued in May 2003.[39]

51. The potential for synergies and complementarities between all these instruments and processes and their impact on, and relevance for, the development of recipient countries greatly depend on their respective timings and sequencings, although these are not the only factors that ensure optimal harmonization. From a recent joint World Bank/IMF staff review of the PRSP process,[40] some areas emerged as offering opportunities for enhancing cooperation with the Bretton Woods institutions, namely: (a) support to national capacity development for policy design and budget management; (b) support to more systematic monitoring and reporting on policy trends; (c) development of alternative policy and reform scenarios for the macroeconomic frameworks underpinning the PRSPs; (d) alignment of donor assistance to PRSP priorities; (e) aid allocation for PRSP implementation; (f) combined efforts to address statistical deficiencies, including building national statistical capacity, in order to monitor progress on the Millennium Development Goals within the framework of the PRSPs; (g) building results-based indicators into the PRSP framework; (h) integrating social with macroeconomic and financial concerns; (i) harmonization and simplification of donor policies and practices for

delivering of aid; and (j) enhancing aid effectiveness through the alignment of donor programmes with national strategies and decision-making processes.

Recommendations

52. **The Economic and Social Council may wish to request the United Nations system and the Bretton Woods institutions to explore further ways to enhance their reciprocal interaction and coordination, inter alia, through greater harmonization of strategic frameworks, instruments, modalities and partnership arrangements, in the context of national priorities. The Council may also wish to request the United Nations system to explore ways to enhance the value of the CCA to poverty analysis and its impact on the PRSPs, where they exist, and recommend to the Bretton Woods institutions and other United Nations system organizations that they continue to collaborate in developing a results-based approach to poverty eradication anchored in the United Nations Millennium Declaration, inter alia, through closer participation in, and support to, national efforts directed towards the formulation of the reports on the Millennium Development Goals.**

F. Gender mainstreaming in operational activities

53. Support to country-level activities on gender equality through mechanisms such as thematic groups, CCAs and UNDAFs continues to provide opportunities to mainstream gender in programmes and policies. The Inter-Agency Network on Women and Gender Equality (IANWGE), chaired by the United Nations Development Fund for Women (UNIFEM), coordinated an assessment of 15 CCAs and UNDAFs; a parallel assessment was led by UNICEF on CCA and UNDAF initiatives in West Africa. Both assessments called for measures to clarify roles and responsibilities in respect of gender equality and women's rights at the country level, enhance quality assurance and support mechanisms for joint analysis and follow-up programming, strengthen the capacity of gender theme groups in the context of CCA and UNDAF processes, improve availability of gender-disaggregated data, promote capacity-building, and ensure that lessons learned in the formulation of CCAs and UNDAFs are systematically shared within the system, Governments and other development partners.[41]

54. Although gender theme groups continue to be among the groups seen most frequently at the country level, they mostly focus on information-sharing.[42] Timely attention to mainstreaming the gender dimension in the analyses conducted for the CCA is important in order to ensure that gender perspectives are effectively reflected in the operational activities of the United Nations system; moreover, mainstreaming has taken on a new relevance in the context of the Millennium Development Goals.

55. Concrete initiatives focus on the development of country-specific gender equality indicators and the identification of intermediary targets for achieving the Millennium Development Goals.[43] Strong collaboration has been established in this area between UNIFEM and the regional commissions, in respect of strengthening statistical databases on gender equality (Economic Commission for Latin America and the Caribbean (ECLAC) and Economic and Social Commission for Western

Asia (ESCWA)), introducing a gender perspective in macroeconomic analyses and improving gender-responsiveness of the legal and regulatory frameworks in the region (Economic Commission for Europe (ECE)), and providing, in addition to better data, statistical information to end trafficking of women and girls (Economic and Social Commission for Asia and the Pacific (ESCAP)). In 2002, gender budget analyses were supported by UNIFEM in 20 countries. Efforts are also being undertaken to disseminate, at the country level, the results of independent assessments on the impact of armed conflicts and the role of women in peace-building.[44] Nevertheless, the main challenge remains to move beyond the analytical level and promote joint action. A full assessment of the impact of gender initiatives in operational activities will be undertaken in the context of the 2004 triennial comprehensive policy review.

Recommendations

56. **The Economic and Social Council may wish to encourage United Nations system organizations to continue their gender mainstreaming efforts in operational activities of the United Nations system in all fields, in particular in support of poverty eradication, reiterating in this regard the empowerment of women as a development priority, and to strengthen their efforts in support of the development of national capacity to deal with the conditions of females in the context of poverty eradication policies, inter alia, through the use of gender budget analysis.**

G. Humanitarian assistance and operational activities for development

57. In recent years, the frequency of and experience with complex emergency situations, especially those deriving from civil strife and armed conflicts, have highlighted the essential interdependence of the work of the United Nations in the development and humanitarian areas. Accordingly, some entities of the United Nations system have been devising new capabilities and new modalities for cooperation in those situations and provide a more coherent, comprehensive and effective response to complex emergency and post-conflict situations.

58. There is increasing awareness among humanitarian agencies of the need to tailor emergency assistance in support of recovery and development. Similarly, development assistance providers are increasingly recognizing that their early involvement in rehabilitation efforts is important so as to minimize disruption, initiate and sustain recovery, create conditions conducive to stability and development, and accelerate the delivery of development funding in the immediate post-conflict phase.

59. Ensuring that sufficient resources, both core and non-core, are channelled through the entities operating in the humanitarian and development assistance in a balanced way has become an important consideration, especially in light of the growing number of complex emergency and post-conflict situations. The General Assembly took up this issue in paragraph 84 of resolution 56/201, stressing that contributions to humanitarian assistance should not be provided at the expense of

development assistance and that sufficient resources for humanitarian assistance should be made available by the international community.

60. There is growing recognition of the need for an integrated approach among all donors to ensure effective field-level coordination in transition periods, as well as the need for a dialogue with national authorities and for the early strengthening of key national institutions. This requires the full engagement of all parts of the United Nations system in an integrated planning process.

61. The emergence of "hybrid" or ad hoc approaches and appeals processes in the period immediately following conflict, which draw on a combination of elements from a mix of methodological tools currently available to United Nations country teams,[45] suggests that country teams need more flexible mechanisms through which to support Governments and institutions in the early stages of post-conflict, while simultaneously meeting urgent humanitarian needs. An inter-agency working group involving UNDG and the Executive Committee on Humanitarian Affairs has been created, in consultation with the Inter-Agency Standing Committee, to examine transition issues and reach a common understanding including definition of key concepts such as transition, recovery, peace-building and reintegration. The working group aims at fostering a coherent, integrated and effective United Nations response to situations in transition, providing consolidated and timely guidance to the United Nations system, and emphasizing how existing programming tools can be strengthened to achieve coherence among different types of assistance.

62. The processes of transition "from conflict to peace" or "from relief to development" are neither unilinear nor unidirectional, since various facets of transition processes coexist simultaneously at changing levels of intensity, opening opportunities or leading to reversals. Transition may not coincide with recovery, since it may include peace-building efforts allowing for peace consolidation, thereby setting the stage for recovery. It is expected that no new mechanisms will be created, but that United Nations country teams will be empowered to use elements of existing tools in a more flexible country-specific fashion.

Recommendations

63. **The Economic and Social Council may wish to encourage the resident coordinator system to facilitate the formulation and use of integrated and flexible approaches in complex emergency and post-conflict situations, ensuring that all relevant partners, also beyond the United Nations system, are involved under the leadership and with the fullest involvement of the Government, wherever possible.**

64. **The Economic and Social Council may wish to encourage the resident coordinator system to continue to work closely with the country representatives of individual agencies, World Bank country directors and other relevant partners in order to ensure effective coordination and collaboration in post-conflict situations, and request UNDG and the Executive Committee on Humanitarian Affairs to continue their efforts to provide a harmonized response to the needs of countries in transition, adjusting in this regard the formulation of strategic frameworks such as the CCA and the UNDAF to these circumstances.**

H. Regional and subregional dimensions of operational activities

65. It is recognized that the formulation, planning, monitoring and evaluation of the CCA and the UNDAF could increasingly benefit from the regional and subregional technical capacities of the United Nations system. In the course of 2002, the UNDG encouraged systematic involvement of the regional bureaux of the funds and programmes, inter alia, in support of country-level preparation of CCAs and UNDAFs. Sharing technical expertise, knowledge, experience and good practices within the region and among regional bureaux and country teams in all phases of the CCA and the UNDAF should serve to advance a multisectoral and cross-cutting approach and promote higher-quality standards in these processes. It is too early to assess the effectiveness of this collaboration and its impact on the CCA and the UNDAF.

66. A more systematic participation of the regional commissions in the CCA and the UNDAF would be mutually beneficial, as stressed in the workshops for the preparation of the CCA and the UNDAF carried out in 2001 for the staff of the regional commissions in collaboration with the UNDG Office. Renewed efforts in this direction are called for.

67. Given the focus of the operational activities of the regional commissions, their involvement in the context of the Millennium Development Goals has made the regional and subregional dimensions even more important with respect to identifying intermediate targets defined at the regional level for achieving the Millennium Development Goals. The regional commissions could play a valuable role in this area, supporting the generation of better data and statistics and other analytical activities for tracking and monitoring the Millennium Development Goals as well as the CCA exercise.

Recommendations

68. **The Economic and Social Council may wish to note the efforts of UNDG to promote the role of the regional bureaux of the funds and programmes in assisting country teams in the preparation of the CCA and the UNDAF and may wish to encourage a greater participation of the regional commissions in the preparation of these frameworks.**

I. South-South cooperation and technical and economic cooperation among developing countries in the context of operational activities

69. In response to paragraph 89 of General Assembly resolution 56/201, UNDP has continued to play a lead role in promoting technical and economic cooperation among developing countries. The Executive Board of UNDP/UNFPA, in its decision 2002/18 of 27 September 2002 (see DP/2003/2), decided to allocate a fixed annual amount of $3.5 million for technical cooperation among developing countries (TCDC) (para. 8 (e)).

70. In addition to the Special Unit for Technical Cooperation among Developing Countries, established within UNDP as the focal point for South-South cooperation throughout the United Nations system, all system organizations have TCDC focal

points. Advisory services of the United Nations system organizations provided to developing countries increasingly rely on experts from developing countries on a wide range of subjects including judicial reform, local government, and information and communication technologies. Progress in the adoption of the TCDC modality has benefited from the decentralization of operations and the use of regional advisers. The increase in public-private cooperation has also yielded important results through joint ventures between African and Asian entrepreneurs, as shown by the Africa-Asia business forums organized by the Special Unit for Technical Cooperation among Developing Countries. A greater use of the TCDC modality may also facilitate more opportunities for regional integration among the developing countries.

71. Triangular cooperation has also been increased, whereby developed countries have forged effective North-South partnerships for development, underpinning the principle of global partnership and the concept of mutual responsibilities between developed and developing countries sanctioned by the Monterrey Consensus of the International Conference on Financing for Development. North-South partnerships have supported various forms of knowledge networks and centres of excellence, and also supported well-established regional and subregional organizations.

Recommendations

72. **The Economic and Social Council may wish to request the United Nations system organizations to continue their efforts to integrate TCDC modality in their programmes and projects, enhancing their support to development cooperation among developing countries, inter alia, through greater exchange of knowledge, experience and good practices at the global, regional and country levels.**

Notes

[1] The present report responds to paragraph 95 of General Assembly resolution 56/201 on the triennial comprehensive policy review of operational activities for development of the United Nations system and contains a review of progress in the implementation of that resolution. It should be read in conjunction with the following reports of the Secretary-General:

(a) (E/2003/__) on the funding of development cooperation activities of the United Nations system, which contains a review of the progress achieved in the area of resources for operational activities for development of the United Nations system (para. 27 of General Assembly resolution 56/201);

(b) (E/2003/64) on the assessment of lessons learned at the field level by United Nations funds, programmes and agencies from their evaluations (para. 56 of resolution 56/201);

(c) (E/2003/57) which contains comprehensive statistical data on operational activities for development for the year 2001 (General Assembly resolution 35/81 of 5 December 1980).

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and Corr.1), chap. I, resolution 1, annex.

[4] Ibid., resolution 2, annex.

[5] See para. 6 of the Monterrey Consensus of the International Conference on Financing for Development.

[6] See report of the Secretary-General entitled "Strengthening of the United Nations: an agenda for further change" (A/57/387 and Corr.1) and General Assembly resolution 57/300 of 20 December 2002.

[7] See the fifth preambular paragraph of General Assembly resolution 56/201 and similar formulations in previous resolutions.

[8] On this aspect, see the report of the Secretary-General (E/2003/__) on the funding of development cooperation activities of the United Nations system.

[9] In this report, the expression "capacity-building" is used as a synonym for "capacity development", as is consistent with decisions and resolutions of the United Nations in this area.

[10] See General Assembly resolution 53/192 of 15 December 1998, para. 37, and Assembly resolution 56/201, para. 28.

[11] See guidance note on capacity-building (ACC/2000/7, annex V) approved by the Consultative Committee on Programme and Operational Questions (CCPOQ) of the Administrative Committee on Coordination (ACC), superseded by the High-level Committee on Programmes (HLCP) of the United Nations System Chief Executives Board for Coordination (CEB).

[12] The workshop was promoted by the Department of Economic and Social Affairs of the United Nations Secretariat and the United Nations Development Programme (UNDP), under the aegis of the High-level Committee on Programmes (HLCP). The international symposium on capacity development and aid effectiveness, promoted by UNDP and the World Bank Institute, together with the Canadian International Development Agency (CIDA) and the Japanese International Development Agency (JICA), and held in Manila from 14 to 16 January 2003, has further contributed to this review.

[13] To date, United Nations country teams have elaborated 106 CCAs and 69 UNDAFs. The United Nations Development Group (UNDG) introduced guidance notes to country teams to support the PRSPs and MDGs, in 2001 and 2002, respectively.

[14] See para. 33 of General Assembly resolution 56/201.

[15] Of the CCAs and UNDAFs jointly reviewed by the member agencies of the Executive Committee of UNDG to date, 15 CCAs and 5 UNDAFs (roll-out in 2002) met minimal quality standards. Five country programmes were also reviewed to ensure their consistency with CCAs and UNDAFs and to ensure that they were anchored in the Millennium Development Goals.

[16] The Executive Boards of UNDP/United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP) have decided that the preparation of CCAs and the preparation of UNDAFs are mandatory steps in the development of their organizations' draft country outlines, and that the CCAs and UNDAFs will be made available for information to the Executive Boards. Other technical organizations of the United Nations are expected to participate in the strategy development, coordinating and integrating their country programming work within the framework of the CCA and the UNDAF.

[17] The first test for this matrix will be in those countries going to the board in 2004 for programmes in 2005.

[18] This suggestion emerged in a workshop on simplification and harmonization held in Nairobi in November 2002, in which 10 United Nations country teams participated. This matrix is currently being tested in the five countries preparing their country programmes for implementation in 2004.

[19] See sect. E.1 below.

[20] See para. 60 of General Assembly resolution 56/201.

[21] See para. 61 of General Assembly resolution 56/201; for a description of the programme of work and the specific progress achieved before July 2002, see the consolidated list of issues related to the coordination of operational activities for development, 2002, prepared by the United Nations funds and programmes in pursuance of para. 4 of Economic and Social Council resolution 1998/27 (E/2002/CRP.1 and its annex).

[22] See also the outcome of a workshop held in Nairobi in November 2002 with the participation of 10 country teams (Bolivia, Cambodia, Haiti, Kenya, Mozambique, Nepal, Philippines, Turkmenistan, United Republic of Tanzania and Viet Nam), national experts from Governments, representatives of the World Bank, the Organisation for Economic Cooperation and Development (OECD)/Development Assistance Committee (DAC) Task Force on Donor Practices and the Department of Economic and Social Affairs.

[23] Five countries that developed UNDAFs in 2002 and are starting new country programmes in 2004 are Benin, Ecuador, Kenya, the Niger and Pakistan.

[24] See, for example, a draft guidance note on internal financial control assessment guidelines that the UNDG task force recently prepared, drawing from the work of OECD/DAC on financial procedures.

[25] The World Bank, the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development and the Inter-American Development Bank.

[26] Barbados, former East Timor (now Timor-Leste), Kenya, Mongolia, Turkey and Zambia.

[27] Bangladesh, Ecuador, Kyrgyzstan, Philippines, Uganda, Yemen, Zambia and Zimbabwe.

[28] See the 2002 report of the Secretary-General on the simplification and harmonization of rules and procedures for operational activities for development (E/2002/59) for a summary of progress and plans in respect of common services.

[29] See General Assembly resolutions 47/199, 50/120, 53/192 and, more recently, 56/201.

[30] See the report of the Secretary-General (A/57/387 and Corr.1) entitled "Strengthening of the United Nations: an agenda for further change", of 9 September 2002.

[31] Training modules exist for the CCA and the UNDAF, poverty reduction, common services, team-building etc., which are currently being adapted to reflect the Millennium Development Goals and include linkages among the CCA, the UNDAF, the reports on the Millennium Development Goals and the PRSP.

[32] It is expected that, by the end of 2003, all former resident coordinators will have gone through the competency assessment exercise.

[33] See paras. 69 and 73 of General Assembly resolution 56/201.

[34] Ibid., para. 69.

[35] Ibid., paras. 70-71.

[36] Common priorities between the instruments and modalities of the United Nation system and those of the Bretton Woods institutions increasingly include post-conflict assistance, as the World Bank has created a series of facilities that enable it to participate more actively in post-conflict transitions. Partnership with the Bank in those situations, through thematic groups, general donor meetings, and disaster management meetings, has become more important. There is thus a growing need for the United Nations system and the Bretton Woods institutions to define common frameworks, practices and arrangements for intervention in those situations.

[37] Twenty United Nations country teams have used the CCAs as direct inputs into the PRSP process. Of the 23 countries preparing an UNDAF in 2001, 6 country teams reported links between the PRSP and the UNDAF, and 5 reported having used the PRSP to guide the work in preparation of the report on the Millennium Development Goals. Nearly a dozen country teams confirmed that United Nations-World Bank-International Monetary Fund (IMF) relations have

been strengthened, with more active collaboration through theme groups and other forms of consultation.

[38] The World Bank is now a member of the UNDG. There is also a continued dialogue between the UNDG, the Bretton Woods institutions and, also, some regional development banks, the European Union and OECD/DAC on critical operational issues such as collaboration to integrate the Millennium Development Goals in PRSPs. The World Bank also participates with the International Monetary Fund in the Millennium Project, taking part in the United Nations expert group and relevant task forces.

[39] The aim is to emphasize the need to plan for country support to the PRSP process and monitoring of Millennium Development Goals in a coherent fashion, maximizing complementarities of efforts. Among the UNDG priorities for 2003 is a thorough assessment of UNDG participation in the PRSP process, with the aim of assisting country teams in their supporting role.

[40] "Poverty Reduction Strategy Papers: progress in implementation", joint World Bank and IMF staff review, 13 September 2002.

[41] UNIFEM is supporting the establishment of a gender network within the African Evaluation Association, providing training and opportunities to develop common tools, approaches and standards, and whose results are expected to facilitate the integration of lessons learned in the United Nations system operational activities.

[42] A review of the resident coordinators' annual reports shows that nearly 40 country teams reported activities on the United Nations Girls' Education Initiative (UNGEI) launched in 2000 and approximately 35 addressed issues related to girls' education.

[43] The United Nations Inter-Agency Thematic Group on gender has contributed to the development of gender indicators to measure progress towards achieving the Millennium Development Goals, especially reducing feminized poverty, in the Commonwealth of Independent States. In 2001, 36 United Nations country teams reported using a gender perspective when developing or contributing to data-collection activities in areas such as capacity assessment, food security, microcredit, migration, poverty, trafficking and violence.

[44] See UNIFEM, *Women, War, Peace: The Independent Expert Assessment on the Impact of Armed Conflict on Women and Women's Role in Peace-building* (New York, 2002), based on the contributions of Elisabeth Rehn (former defence minister of Finland) and Ellen Johnson Sirleaf (former presidential candidate of Liberia), who undertook 14 missions to document women's voices and experiences as survivors, peace-builders and aspiring policy makers, in conflict and post-conflict situations.

[45] Such as the CCA, the UNDAF and the Consolidated Appeals Process.